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July 19, 2005

Charles L. A. Terreni, Esquire
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Drive
Columbia, SC 29210

2005-163-C

RE: Application of AccessLine Communications Corporation Authority to Operate as a
Reseller of Interexchange Telecommunication Services within the State of South
Carolina

Dear Mr. Terreni:

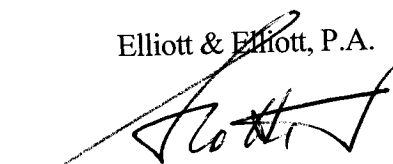
Enclosed please find for filing an original and fifteen (15) copies of the Updated Financials on the
above. By copy of this letter, I am serving all parties of record.

I have enclosed an extra copy of the financials which I would ask you to date stamp and return to me
in the stamped self-addressed envelope enclosed.

If you have questions or if I may provide you with any additional information, please do not hesitate
to contact me.

Sincerely,

Elliott & Elliott, P.A.


Scott Elliott

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SE/jcl

Enclosures

c: All parties of record w/enc.

ORIGINAL

AccessLine Holdings, Inc.
Consolidated Balance Sheets
December 31, 2004

	01/01/04	02/28/04	03/31/04	04/30/04	05/31/04	06/30/04	07/31/04	08/31/04	09/30/04	10/31/04	11/30/04	12/31/04
ASSETS												
Cash/Equivalents	1,234,703.44	1,035,103.67	935,043.52	891,705.66	788,846.34	612,784.43	688,872.36	2,951,576.43	2,996,032.50	2,973,081.51	2,499,291.18	1,900,647.88
Accounts Receivable	1,013,286.33	786,190.78	667,994.56	689,137.04	1,116,342.72	1,339,648.24	904,439.23	1,282,091.93	1,605,193.26	1,500,817.39	1,600,647.88	1,600,647.88
Allowance Reserve	(82,181.33)	(80,148.69)	(110,925.30)	(127,837.15)	(145,742.00)	(170,300.14)	(179,241.83)	(180,163.83)	(182,334.33)	(181,200.22)	(181,200.22)	(181,200.22)
Other Receivables	24,816.22	27,472.51	27,933.39	31,742.30	28,927.38	31,214.78	30,902.22	30,902.22	30,902.22	30,902.22	30,902.22	30,902.22
Prepaid Expenses	474,337.39	428,883.84	480,238.79	491,031.09	453,199.06	431,168.33	431,168.33	431,168.33	431,168.33	431,168.33	431,168.33	431,168.33
Total Current Assets	2,684,573.79	2,732,203.82	2,160,031.46	1,792,781.90	2,312,241.52	2,444,892.28	1,910,888.22	5,332,088.89	5,283,583.04	4,999,214.73	4,156,468.19	3,500,338.26
Fixed Assets (Net)	5,372,312.75	5,227,879.23	5,209,203.82	5,164,723.00	5,312,268.16	5,251,035.71	5,152,785.46	5,049,403.71	5,049,403.71	5,049,403.71	5,049,403.71	5,049,403.71
Restricted Cash	313,300.00	213,343.26	268,782.82	197,846.35	165,137.37	164,097.86	190,382.34	174,891.78	190,382.34	190,382.34	190,382.34	190,382.34
Other Assets	41,090.43	40,892.24	40,034.05	39,598.35	39,598.35	89,119.87	89,119.87	116,233.12	116,233.12	116,233.12	116,233.12	116,233.12
Total Assets	8,500,276.81	8,313,107.83	7,879,231.97	7,215,988.74	7,792,124.43	7,895,052.93	7,243,008.80	11,793,203.16	11,793,203.16	11,793,203.16	11,793,203.16	11,793,203.16
LIABILITIES AND EQUITY												
Accounts Payable	1,238,024.28	1,051,476.13	1,030,158.89	2,088,754.40	2,419,878.41	1,890,898.37	1,891,488.39	1,908,786.39	1,750,269.09	1,891,488.39	1,891,488.39	1,891,488.39
Payroll and Benefits-related Liabilities	867,348.23	735,945.12	784,891.62	640,493.27	882,847.47	717,822.49	717,822.49	800,786.19	800,786.19	800,786.19	800,786.19	800,786.19
Accrued Liabilities	381,305.33	332,944.45	337,582.58	323,196.89	293,581.38	290,381.38	292,272.59	278,889.89	280,703.68	281,600.55	281,600.55	281,600.55
Accrued Salary and Wages	418,783.91	301,009.30	237,935.71	223,211.38	164,884.99	61,097.37	61,097.37	62,665.82	62,665.82	62,665.82	62,665.82	62,665.82
Accrued USF and Franchise Fee Liabilities	908,482.81	203,678.04	188,043.29	281,190.29	397,100.99	482,349.41	572,531.54	662,424.00	862,424.00	888,474.85	888,474.85	888,474.85
Accrued Payroll Liabilities	840,384.00	843,298.00	948,943.00	992,884.00	992,884.00	992,884.00	992,884.00	992,884.00	992,884.00	992,884.00	992,884.00	992,884.00
Accrued Payroll Liabilities	840,384.00	843,298.00	948,943.00	992,884.00	992,884.00	992,884.00	992,884.00	992,884.00	992,884.00	992,884.00	992,884.00	992,884.00
Current portion of long term debt	1,323,137.09	1,070,888.11	1,008,481.58	1,231,948.23	1,305,764.41	1,232,811.72	1,232,811.72	1,232,811.72	1,232,811.72	1,232,811.72	1,232,811.72	1,232,811.72
Current portion of capital lease obligations	442,788.28	182,382.42	181,785.13	189,244.93	242,894.53	242,894.53	242,894.53	242,894.53	242,894.53	242,894.53	242,894.53	242,894.53
Current portion of loan liabilities	4,940,878.68	4,940,878.68	4,940,878.68	4,940,878.68	4,940,878.68	4,940,878.68	4,940,878.68	4,940,878.68	4,940,878.68	4,940,878.68	4,940,878.68	4,940,878.68
Deferred Revenues	123,113.24	123,113.24	123,113.24	123,113.24	123,113.24	123,113.24	123,113.24	123,113.24	123,113.24	123,113.24	123,113.24	123,113.24
Total Current Liabilities	11,485,732.77	11,019,240.97	11,097,721.23	11,782,191.89	12,780,888.21	13,329,635.80	13,329,635.80	13,329,635.80	13,329,635.80	13,329,635.80	13,329,635.80	13,329,635.80
Long-term Debt	335,412.34	485,082.04	448,786.93	498,545.61	611,258.61	669,251.14	713,854.87	720,948.34	702,781.23	684,842.80	738,084.82	82,782.20
Capital Lease Obligations, less current portion	70,340.34	70,340.34	69,480.28	88,719.32	87,879.58	67,239.24	65,498.58	63,918.22	64,372.95	63,918.22	63,918.22	63,918.22
Deferred Rent	11,643,006.88	12,374,501.82	12,235,978.43	12,327,857.33	13,410,224.85	14,028,031.80	14,508,227.28	14,403,191.11	16,757,233.30	20,179,831.78	20,678,081.34	20,678,081.34
Total Liabilities	23,504,091.99	23,868,964.13	23,803,186.64	24,698,805.13	26,801,372.79	27,824,966.94	28,551,723.46	28,501,665.25	30,849,649.39	34,183,481.70	34,689,199.36	34,689,199.36
Shareholders' Equity	5,996,184.82	4,444,143.70	3,976,045.33	2,517,183.61	910,751.64	1,070,085.99	1,070,085.99	1,070,085.99	943,553.77	809,712.99	658,008.83	658,008.83
Preferred Stock Series A	5,996,184.82	4,444,143.70	3,976,045.33	2,517,183.61	910,751.64	1,070,085.99	1,070,085.99	1,070,085.99	943,553.77	809,712.99	658,008.83	658,008.83
Preferred Stock Series B	5,996,184.82	4,444,143.70	3,976,045.33	2,517,183.61	910,751.64	1,070,085.99	1,070,085.99	1,070,085.99	943,553.77	809,712.99	658,008.83	658,008.83
Preferred Stock Series C	5,996,184.82	4,444,143.70	3,976,045.33	2,517,183.61	910,751.64	1,070,085.99	1,070,085.99	1,070,085.99	943,553.77	809,712.99	658,008.83	658,008.83
Preferred Stock Series D	5,996,184.82	4,444,143.70	3,976,045.33	2,517,183.61	910,751.64	1,070,085.99	1,070,085.99	1,070,085.99	943,553.77	809,712.99	658,008.83	658,008.83
Common Stock	5,996,184.82	4,444,143.70	3,976,045.33	2,517,183.61	910,751.64	1,070,085.99	1,070,085.99	1,070,085.99	943,553.77	809,712.99	658,008.83	658,008.83
Additional Paid-in Capital	5,996,184.82	4,444,143.70	3,976,045.33	2,517,183.61	910,751.64	1,070,085.99	1,070,085.99	1,070,085.99	943,553.77	809,712.99	658,008.83	658,008.83
Unearned stock compensation	5,996,184.82	4,444,143.70	3,976,045.33	2,517,183.61	910,751.64	1,070,085.99	1,070,085.99	1,070,085.99	943,553.77	809,712.99	658,008.83	658,008.83
Accumulated Deficit	5,996,184.82	4,444,143.70	3,976,045.33	2,517,183.61	910,751.64	1,070,085.99	1,070,085.99	1,070,085.99	943,553.77	809,712.99	658,008.83	658,008.83
Total Equity	5,996,184.82	4,444,143.70	3,976,045.33	2,517,183.61	910,751.64	1,070,085.99	1,070,085.99	1,070,085.99	943,553.77	809,712.99	658,008.83	658,008.83
Total Liab. & Sh. Equity	29,499,276.81	28,313,107.83	27,879,231.97	27,215,988.74	27,792,124.43	27,895,052.93	27,243,008.80	29,574,269.15	31,799,203.16	34,982,481.70	35,347,199.36	35,347,199.36

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CONFIDENTIAL
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Bal Sheet Dec 2004(1)

AccessLine Holdings, Inc. & Subsidiaries
Consolidated Statement of Operations
Year ended December 31, 2004
(Unaudited) In thousands \$

Confidential

Total Revenue	\$17,814
Network Expense	7,953
<i>% of Rev</i>	45%
Labor Expense (Net)	6,951
Other Expenses	5,660
EBITDA	<u>(\$2,750)</u>
Depreciation	(3,288)
Interest expense	(2,102)
Other income	<u>11</u>
Net loss before tax	(8,129)
Income tax	<u>6</u>
Net loss	(8,135)
Dividends and accretion	<u>(5,938)</u>
Net loss applicable to common shareholders	(\$14,073)

AccessLine Holdings, Inc. & Subsidiaries
Consolidated Balance Sheet
December 31, 2004

Confidential (Unaudited)

Dec-04
(in 000's)

ASSETS

Cash/Equivalents	\$2,189
Accounts Receivable, net	1,287
Other Receivables	40
Prepaid Expenses	541
Total Current Assets	4,057
Fixed Assets, net	5,529
Other Assets	394
Total Assets	\$9,980

LIABILITIES AND EQUITY

Accounts Payable	\$1,679
Payroll and Benefits-related liabilities	739
Accrued liabilities	1,852
Accrued sales taxes & fees	511
Accrued IBM rebate	858
Current portion of Long-term Debt	600
Current portion of capital lease obligations	334
Deferred Revenue	141
Total Current Liabilities	6,714
Long-term Debt	5,013
Bridge Loan Liabilities	6,849
Interest- Bridge Notes	581
Capital Lease Obligations, less current portion	798
Deferred Rent	64
Total Liabilities	20,019
Shareowners' Equity	
Preferred Stock Series A	5,519
Preferred Stock Series B	6,307
Preferred Stock Series C	36,600
Preferred Stock Series D	31,542
Common Stock	58
Additional Paid-in Capital	18,209
Accumulated Deficit	(108,274)
Total Equity	(10,039)
Total Liab. & Sh. Equity	\$9,980

AccessLine Holdings & Subs
Consolidated Statement of Cash Flows
Unaudited (in thousands \$)

**Year
 Ended
 2004**

Cash From (Used By) Operations

Net Income	\$ (8,135)
Depreciation and Amortization	3,289
Accounts Receivable	(249)
Other Receivable	(24)
Deferred Costs on Contract In Process	(1,943)
Prepaid Expenses and Deposits	(103)
Accounts payable	(356)
Accrued wages, benefits and payroll taxes	137
Accrued liabilities	1,554
Other	278

Cash From Operations (5,552)

Plus: Cash From (Used by) Investment Activities

Capital Expenditures	(1,661)
Restricted Cash Deposit	67
Deferred Legal Fees and other	(106)

Cash From Investing (1,700)

Plus: Cash From (Used By) Financing Activities

Issuance of stock warrants	1,087
Capital Lease Obligations	865
Proceeds from AR secured notes	(1,040)
Bridge Loan Financing Obligations	7,268
Capital lease interest exp	(113)
Orix interest exp	(163)

Cash From Financing 7,905

Equal: Increase (Decrease) In Cash
Net Change In Cash

\$ 653

AccessLine Holdings, Inc. & Subsidiaries
Condensed Consolidated Statement Of Operations
Month ended April 30, 2005

Confidential

(Unaudited)

Apr-05
(in 000's)

Revenue **\$1,822**

Operating Expenses:

Network Costs:

Fixed **323**

Variable **324**

Subtotal **647**

Personnel Expenses:

Salaries, Benefits & Taxes **711**

Transfer to Capitalized Labor **(140)**

Commissions & Bonuses **58**

Contractor Fees **40**

Subtotal **669**

Other Operating Expenses **486**

Total Operating Expenses **1,802**

EBITDA **20**

Depreciation Expense **(235)**

Interest Income (Expense) **(198)**

Other Income (Expense) **(4)**

Net Income (Loss) before tax **(417)**

Income Tax **0**

Net (Loss) **(417)**

Mandatorily Redeemable Preferred Stock	
Dividends and Accretion	(500)
	<hr/>
Net (Loss) applicable to common stockholders	(\$917)
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AccessLine Holdings, Inc. & Subsidiaries
Condensed Consolidated Statement Of Operations
YTD April 30, 2005

Confidential

(Unaudited)

(in 000's)

REVENUE:

Total Revenue	\$6,895
Network Costs	2672
Personnel Expenses	2625
Other Operating Expenses	1784
Total Operating Expenses	7081
EBITDA	(186)
Depreciation Expense	(931)
Stock-based compensation	
Interest Income (Expense)	(1,052)
Other Income (Expense)	(27)
Net Income (Loss) before tax	(2,196)
Income Tax	0
Net (Loss)	(2,196)
Mandatorily Redeemable Preferred Stock	
Dividends and Accretion	(1,976)
Net (Loss) applicable to common stockholders	(\$4,172)

AccessLine Holdings, Inc. & Subsidiaries
Consolidated Balance Sheet
April 30, 2005

Confidential (Unaudited)

Apr-05
(in 000's)

ASSETS

Cash/Equivalents	\$8,233
Accounts Receivable, net	1,613
Other Receivables	38
Prepaid Expenses	562
Total Current Assets	10,446
Fixed Assets, net	6,153
Other Assets	1,269
Total Assets	\$17,868

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LIABILITIES AND EQUITY

Accounts Payable	\$804
Payroll and Benefits-related liabilities	689
Accrued liabilities	1,999
Accrued sales taxes & fees	417
Accrued IBM rebate	942
Current portion of Long-term Debt	1,400
Current portion of capital lease obligations	395
Deferred Revenue	126
Total Current Liabilities	6,772
Long-term Debt	11,911
Capital Lease Obligations, less current portion	1,067
Other	238
Total Liabilities	19,988
Shareowners' Equity	
Preferred Stock Series A	5,692
Preferred Stock Series B	6,442
Preferred Stock Series C	37,412
Preferred Stock Series D	32,398
Common Stock	58
Additional Paid-in Capital	26,347
Accumulated Deficit	(110,489)
Total Equity	(2,120)
Total Liab. & Sh. Equity	\$17,868

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AccessLine Holdings, Inc. and Subs
Consolidated Statement of Cash Flows

April 2005

Cash From (Used By) Operations

Net Income	\$	(351)
Depreciation and Amortization		235
Stock Option Compensation		-
Loss on Disposal of Property and Equipment		-
Accounts Receivable		(258)
Other Receivable		4
Deferred Costs on Contract In Process		(140)
Prepaid Expenses and Deposits		1
Accounts payable		(255)
Accrued wages, benefits and payroll taxes		49
Accrued liabilities		44
Deferred revenue		
Deferred rent payable		(1)

Cash From Operations

(672)

Plus: Cash From (Used by) Investment Activities

Capital Expenditures	(289)
Restricted Cash Deposit	-
Deferred Legal Fees	4
Expenditures for patents and trademarks	-

Cash From Investing

(285)

Plus: Cash From (Used By) Financing Activities

Issuance of short term debt	-
Capital Lease Obligations	111
Proceeds from issuance of stock	-
Proceeds from AR secured notes	-
Bridge Loan Financing Obligations	21
Capital lease interest exp	(15)
Orix Interest exp	(50)

Cash From Financing

67

Equal: Increase (Decrease) In Cash

Net Change In Cash

\$ (890)

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CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Application of AccessLine Communications Corporation
Authority to Operate as a Reseller of Interexchange
Telecommunication Services within the State of South
Carolina

DOCKET NO.: 2005-163-C

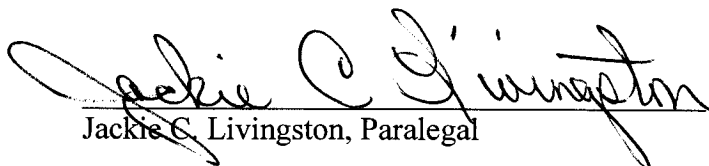
PARTIES SERVED:

C. Lessie Hammonds, Esquire
ORS
P. O. Box 11263
Columbia, SC 29211

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COLUMBIA, SC
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PLEADING: Updated Financials

July 19, 2005


Jackie C. Livingston, Paralegal